

**SECRET**

14 September 1966

OGC REVIEW  
COMPLETED

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Conflict-of-Interest Consideration, with Respect  
to [redacted]  
[redacted] and Others [redacted]

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1. This memorandum is for information only and is in response to your request for information on this subject.

2. You have inquired as to the extent to which the Agency could avail itself of the services of [redacted] (subsequent to his resignation date), and [redacted]. Our comments herein apply with respect to these three but would have equal application to other former Agency employees. The common denominator among the three is that all were senior Agency officials and all are or will be officers with major corporations which do business with the Agency.

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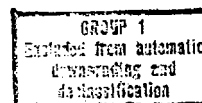
[redacted] I understand, joined the Agency about 1950 as Chief of the [redacted]. In the mid- or late-50's, he transferred to work with Mr. Bissell on the U-2 and successor programs. He is currently an official with [redacted].

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3. Certain conflict-of-interest statutes apply to former employees; others apply to consultants. Both types, therefore, would apply in the case of the former employee who becomes a consultant.

4. There are two prohibitions with respect to former employees. One is permanent; the other applies only with respect to the first year after the Government employment ceases and only with respect to his duties during his last year of his Government employment. Both prohibitions apply only with respect to matters which involve a party or parties, one of which is the United States, the point being that they do not apply with respect to policy questions or decisions or to generic studies or questions.

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5. The essence of the permanent prohibition is that a former employee may never represent his new employer in any matter in which he participated personally and substantially as a Government employee. He may, however, perform technical work or assistance for his new employer on a contract between his new employer and his former Government employer, and this is true even if he participated for the Government in the negotiation of the contract. Representation prohibited by the permanent provision is broad, and would include representation as a lobbyist, sales representative, purchasing agent, or any activity in which he has authority to speak for his employer.

6. The one-year prohibition is broader than the permanent prohibition in that it applies not only to matters in which the individual as a Government employee participated substantially and personally, but also to matters within his general area of responsibility. The representation, on the other hand, is narrower. Only formal appearances as an agent or attorney before a Government department or a court are prohibited for one year.

7. The statutes applicable to consultants prohibit prosecuting claims or participating in proceedings against the United States if the matter is one on which he worked personally and substantially.

8. Applying all this to [redacted] and [redacted], and other similar cases, I believe there is nothing which could prohibit them from briefing or advising their successors or the Director or any other Agency official on any matter with which they were personally involved during their employment by the Agency. They could consult with any Agency official on any policy question or study in which the Agency is interested, including any which might lead to an Agency contract with their new employers or with any of their employer's competitors. They could not participate in negotiations to amend, revise, or extend any CIA contract with their employers which they helped negotiate during their period of service with the Agency. While I believe these guidelines outline the areas of likely Agency interest in the services of these three men, it might be well to actually consider on an individual basis any use the Agency proposes to make of other former employees.

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9. I have briefed [ ] on this general subject. He has indicated the areas in which he feels he might continue to be useful to us, and I believe there will be no problems. See, attached, my memorandum to the Executive Director-Comptroller, dated 13 September 1966, relating my conversation with [ ]

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LAWRENCE R. HOUSTON  
General Counsel

**Attachment**

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